

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking on the Commission's own motion to improve distribution level interconnection rules and regulations for certain classes of electric generators and electric storage resources.

Rulemaking 11-09-011
(Filed September 22, 2011)

**THE OFFICE OF RATEPAYER ADVOCATES'
NOTICE OF EX PARTE COMMUNICATION**

Pursuant to Rule 8.4 of the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, the Office of Ratepayer Advocates (ORA) respectfully submits the following notice of ex parte communications in the above referenced docket. The first and third oral ex parte communications occurred at the Commission's offices in San Francisco, while the second oral ex parte communication occurred telephonically and by email. The first meeting was held on Wednesday, June 15, 2016, at 1:30 am with Ehren Seybert, Advisor to Commissioner Carla Peterman. On Friday, June 17, 2016, the second meeting was held telephonically at 1:00 pm with Matt Tisdale, Advisor to Commissioner Michel Florio, and the third meeting was held at 4:00 pm with Rachel Peterson, Advisor to Commissioner Leanne Randolph. All three meetings were initiated by ORA and lasted approximately 30 minutes. At all three meetings, representatives from ORA included ORA Utilities Engineer Oge Enyinwa, ORA Policy Advisor Cheryl Cox, and Attorney James Ralph. ORA Program Manager Chloe Lukins also attended the meeting with Mr. Tisdale. Attachment 1 is a document provided to Ms. Peterson, Mr. Seybert, and Mr. Tisdale (by email).

At all three meetings, ORA voiced support for the Proposed Decision (PD). ORA finds that the PD correctly addresses the issues of promoting cost certainty for interconnections, which was the purpose of this phase of the proceeding.

In the alternative, if the Commission adopts the Alternative Proposed Decision (APD), ORA recommended the Commission protect ratepayers with common-sense revisions to mitigate ratepayer liability. The APD addresses cost overruns, and provides cost certainty for developers

with the 125% cost envelope. However, in devising a solution to achieve cost certainty for developers by establishing a memorandum account for cost overruns that exceed 125%, the APD undermines overall cost certainty for interconnections, and shifts the risk to ratepayers with no upward limit. If the Commission adopts the APD, ORA believes the following measures – in bold – should be added to the Ordering Paragraphs of the APD (the justification for each revision is in parentheses):

- **The term of the pilot is three years.** (This revision should be made to Ordering Paragraph 3. Shortening the term of the pilot from five to three years is justified, because three years is sufficient time to collect data on the pilot and evaluate the program, before the program becomes entrenched in the industry.)
- **The Energy Division shall write a report evaluating the success of the pilot program after the three-year term is complete.** (The pilot program should be evaluated to determine if the developers were provided cost certainty from the utilities, if the utilities were transparent in the cost estimate and in the actual costs, how frequent cost overruns were, if the interconnection process was improved – i.e. amount of time and costs per interconnection, and if ratepayers were burdened with costs.)
- **To seek recovery of costs placed in the memorandum account, the utilities may only submit an application.** (This requirement should clarify Ordering Paragraph 6. The use of an application, as opposed to including the costs in general rate cases, is justified, because a stand-alone application will allow the ratepayer advocates to focus solely on the interconnection process and do a competent reasonableness review.)
- **Each utility's application shall include a detailed technical report.** (This requirement should clarify Ordering Paragraphs 6 and 8. The inclusion of a technical report is necessary for parties – such as ORA – to do a competent reasonableness review. The technical report shall include cost information on a project-by-project basis and shall include 1) the cost estimate and associated scope of work for the cost estimate, 2) the actual cost and the associated scope of work of the actual cost, 3) an explanation of why costs were below or above the cost estimate, 4) a narrative description of the steps the utility took to mitigate cost overruns, and 5) a description

of the type of resource, capacity of resource and location of resource. The technical report complements the cost guide, which the utilities will be required to produce per the APD.)

- **Each utility should file an annual advice letter with a detailed technical report via summarizing all interconnection costs for interconnections, which did not exceed the 125% of the cost estimate.** (This requirement should clarify Ordering Paragraph 7. The Commission is justified requiring this information, because the Commission will need information about all interconnections – regardless of whether the interconnection exceeded the cost estimate - to evaluate the process. The other interconnections will be summarized in the technical report attached to the application. The first report should be due January 1, 2017.)

Respectfully submitted,

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